

STATE OF SOUTH CAROLINA

(Caption of Case)

In the Matter of the Application of
Midwestern Telecommunications,
Incorporated's Application for Designation as an
Eligible Telecommunications Carrier for the
Purposes of Receiving Federal Universal
Service Support Pursuant to Section
214(e)(2) of the Telecommunications Act
of 1996

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET
NUMBER: 2007 - 32 - C

(Please type or print)

Submitted by: John J. Pringle, Jr.

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DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition

☐ Request for item to be placed on Commission's Agenda expeditiously

☐ Other:

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request	
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification	
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input checked="" type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input checked="" type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other: _____	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest		
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report		

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ELLIS:LAWHORNE

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July 10, 2007

FILED ELECTRONICALLY AND ORIGINAL VIA 1ST CLASS MAIL SERVICE

The Honorable Charles L.A. Terreni
Chief Clerk
SC Public Service Commission
P.O. Drawer 11649
Columbia, SC 29211

RE: Midwestern Telecommunications, Incorporated's Application for
Designation as an Eligible Telecommunications Carrier for the
Purposes of Receiving Federal Universal Service Support Pursuant
to Sections 214(e)(2) of the Telecommunications Act of 1996
Docket No. 2007-32-C, Our File No. 629-11437

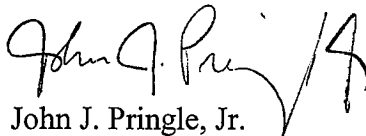
Dear Mr. Terreni:

Enclosed is the original and one copy of the **Direct Testimony of Ikechuku Chinwah** filed on behalf of Midwestern Telecommunications, Incorporated in the above-referenced docket.

Please acknowledge your receipt of this document by file-stamping the copy of this letter enclosed, and returning it in the enclosed envelope.

If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours,



John J. Pringle, Jr.

JJP/cr

cc: C. Lessie Hammonds, Esquire
Margaret M. Fox, Esquire
Mr. Ikechuku Chinwah

Enclosures

THIS DOCUMENT IS AN EXACT DUPLICATE OF THE E-FILED COPY SUBMITTED TO THE COMMISSION IN ACCORDANCE WITH ITS ELECTRONIC FILING INSTRUCTIONS.

BEFORE THE SOUTH CAROLINA PUBLIC SERVICE COMMISSION

In the Matter of the Application of)
Midwestern Telecommunications, Inc.)
Application for Designation as an Eligible)
Telecommunications Carrier for the)
Purposes of Receiving Federal Universal)
Service Support Pursuant to Section)
214(e)(2) of the Telecommunications Act)
of 1996)
_____)

Docket No. 2007-32-C

**DIRECT TESTIMONY OF IKECHUKU CHINWAH
ON BEHALF OF
MIDWESTERN TELECOMMUNICATIONS, INC.**

July 10, 2007

1 **Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.**

2 A. My name is Ikechuku Chinwah. I am Co-CEO and President of Midwestern
3 Telecommunications, Inc. ("The Company" or "M.T.I."). My business address is 65 E
4 16th St, Chicago Heights IL 60411

5

6 **Q. PLEASE BRIEFLY DESCRIBE YOUR BACKGROUND AND**
7 **QUALIFICATIONS.**

8 A. Prior to forming M.T.I. I worked as a consultant to Citgo's Lemont Refinery, specializing
9 in training on network computing systems and telecommunications systems. As Co-CEO
10 of M.T.I., I have been involved in every facet of the Company's growth from three (3)
11 customers in September of 1997 to our current customer base of over 8,000.

12

13 **Q. PLEASE DESCRIBE YOUR CURRENT POSITION AND ITS**
14 **RESPONSIBILITIES.**

15 A. I am Co-CEO and President of M.T.I. My responsibilities include managing the daily
16 operations of M.T.I. I also oversee the Eligible Telecommunications Carrier ("ETC")
17 designation process in new states.

18

19 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

20 A. The purpose of my testimony is to discuss MTI's qualifications to be designated as an
21 ETC by this Commission for the purposes of receiving federal universal service "Lifeline
22 and Link-up" support, and why such designation will serve consumers and the public
23 interest generally. I would like to incorporate by reference into this Testimony MTI's
24 application filed in this Docket.

1 **Q. PLEASE DESCRIBE MIDWESTERN TELECOMMUNICATIONS INC. (MTI)**

2 A. MTI is a competitive local exchange carrier ("CLEC") that started providing local phone
3 service to end users in 1997. MTI is currently certified to provide local phone service in
4 13 AT&T states, including the state of South Carolina. MTI was certified by the
5 Commission on March 12, 2003 via Order No. 2003-125 issued in Docket No. 2002-381-
6 C.

7
8 **Q. HAS MTI BEEN CERTIFIED AS AN ETC IN ANY OTHER STATE?**

9 A. Yes. MTI is currently designated as an ETC in Alabama, Florida, Illinois, and
10 Wisconsin, and provides Lifeline/Link-Up service to over 3,000 customers in those
11 states. MTI's ETC status is in good standing in all states where granted.

12
13 **Q. HAS MTI EVER HAD AN APPLICATION FOR ETC DESIGNATION DENIED?**

14 A. No.

15
16 **Q. WHERE DOES MTI CURRENTLY PROVIDE SERVICE IN SOUTH**
17 **CAROLINA?**

18 A. MTI currently has no active customers in the state of South Carolina. If approved as an
19 ETC, MTI plans to start aggressively advertising and providing service, first in the
20 Charleston and Greenville areas, and eventually throughout the entire AT&T service area
21 in the State of South Carolina.

22

1 **Q. IS MTI WILLING TO ADVERSTISE THE AVAILABILITY OF ITS SERVICES**
2 **IN SOUTH CAROLINA, INCLUDING THE AVAILABILITY OF LIFELINE**
3 **AND LINK-UP?**

4 A. Yes. MTI will not only advertise the availability of our services throughout our proposed
5 service area, MTI plans to have a very heavy presence in low income areas, where we
6 believe a large percentage of lifeline eligible customers are being underserved.

7
8 **Q. WILL MTI COMPLY WITH THE COMMISSION'S ORDERS REGARDING TO**
9 **PROVISION OF INTEREXCHANGE AND LOCAL SERIVCES?**

10 A. Yes. MTI will, at all times, provide and market services in accordance with applicable
11 Commission rules and orders. In addition, MTI at all times will provide interstate
12 services in compliance with all FCC rules and regulations.

13
14 **Q. WHAT LIFELINE AND LINK-UP DISCOUNTS WILL CONSUMERS RECEIVE**
15 **IN SOUTH CAROLINA?**

16 A. For Link-up, MTI will offer consumers 50% off our activation fee, up to a maximum
17 \$30.00 discount. On Lifeline, MTI will offer the full Tier 1 discount, which for AT&T
18 will be the subscriber line charge of \$6.50. In addition, MTI will offer the full Tier 2
19 discount of \$1.75.

20 Thus, for a Lifeline consumer in an area with an ILEC that has a subscriber line charge of
21 \$6.50 (South Carolina AT&T), this would mean a total of \$8.25 of available discounts
22 from MTI. We fully intend to ensure our compliance with the federal low-income rules in
23 South Carolina if we are designated an ETC.

24

1 **Q. DOES MTI SERVICE PROMOTE AFFORDABLE TELEPHONE SERVICE?**

2 A. Yes. MTI's Basic Lifeline plan is sold at a monthly rate of \$21.79 plus taxes and fees.

3
4 **Q. PLEASE DESCRIBE HOW MTI WILL PROVISION THE SERVICES FOR**
5 **WHICH IT SEEKS ETC DESIGNATION.**

6 A. M.T.I. plans to provide basic local exchange service on a post-paid and pre-paid basis
7 within the State of South Carolina. M.T.I. will provide local exchange services through
8 the Resale of services and facilities obtained through a commercial facilities agreement
9 ("CFA") with AT&T. Through the provisioning methods outlined above, MTI has the
10 ability to offer all of the supported services outlined in Section 254(C) of the
11 Telecommunications Act and CFR Section 54.101(a).

12
13 **Q. PLEASE DESCRIBE MTI'S PROPOSED ETC SERVICE AREA.**

14 A. MTI seeks to be designated as an ETC is all of the non-rural wire centers of AT&T in the
15 State of South Carolina. MTI does not request ETC designation in any rural area at this
16 time.

17
18 **Q. FEDERAL LAW REQUIRES A CARRIER TO OFFER ITS SERVICE**
19 **THROUGHOUT A PROPOSED ETC SERVICE AREA IN RESPONSE TO ALL**
20 **REASONABLE REQUESTS FOR SERVICE, HOW DOES MTI PROPOSE TO**
21 **ACCOMPLISH THIS IN SOUTH CAROLINA?**

22 A. MTI's commitment is to respond immediately to all reasonable requests for service and
23 to offer its service throughout its proposed ETC service area. We understand that the best

1 way to meet a reasonable request for service is to follow the process for provisioning
2 service set forth in the FCC's ETC Report and Order released March 17, 2005.

3
4 **Q. HOW LONG DO YOU EXPECT IT TO TAKE TO PROVISION SERVICE TO A**
5 **CUSTOMER?**

6 A. Every situation is unique and must be handled on a case-by-case basis. In most cases
7 consumers are provisioned in one to two business days.

8
9 **Q. WHAT FACTS SUPPORT A FINDING THAT MTI HAS THE CAPABILITY**
10 **AND COMMITMENT TO OFFER AND ADVERTISE ITS SERVICES**
11 **THROUGHOUT ITS PROPOSED ETC SERVICE AREA?**

12 A. MTI has been providing high quality local service in 13 states for over 9 years. As
13 mentioned above, MTI is currently designated as an ETC in Alabama, Florida, Illinois,
14 and Wisconsin and provides Lifeline/Link-Up service to over 3,000 customers in those
15 states. MTI's ETC status is in good standing in all states where granted.

16
17 **Q. DOES MTI SEEK FEDERAL HIGH-COST FUNDS BY MEANS OF THIS**
18 **APPLICATION?**

19 A. No. MTI is not requesting High-Cost support by means of this application for ETC
20 designation. MTI does not receive any High-Cost support in any of the states where MTI
21 is currently designated as an ETC. MTI only receives Link-Up and Lifeline support.

22

23

1 Q. HOW MUCH SUPPORT DOES MTI EXPECT TO RECEIVE IF IT IS
2 DESIGNATED AS AN ETC?

3 A. Based on MTI's most recent projections, MTI would receive roughly \$182,000 per year
4 in Link-Up and Lifeline support in the State of South Carolina. The projection was based
5 on MTI activating 250 Lifeline customers per month for 12 months with a Link-up
6 support of \$30.00 per new activation. MTI also projects that after the first 3 months to
7 have 600 Lifeline customers with a steady net growth of 100 new lifeline customers per
8 month for the next nine months giving MTI a total of 1500 Lifeline customers in South
9 Carolina at the end of one year. The monthly Lifeline support plus the Link-Up gets us to
10 \$182,000 per year in Universal Service Funding support. To reemphasize, MTI will not
11 be receiving any High-Cost support.

12
13 Q. WHAT IS A REASONABLE TIME FOR MTI TO OFFER AND ADVERTISE
14 THROUGHOUT ITS PROPOSED ETC SERVICE AREA?

15 A. MTI is committed to doing so immediately. MTI will advertise as required and respond
16 to all requests for service immediately.

17
18 Q. HOW WOULD THE PUBLIC INTEREST BE SERVED BY A GRANT OF ETC
19 STATUS TO MTI?

20 A. With regard to the "public interest" test for ETC status, MTI feels that it is in a unique
21 position to serve the "public interest" when it comes to providing USF assistance. MTI is
22 often the carrier of last resort for many of our customers. About 85% of MTI's customers
23 have been disconnected by the incumbent carrier for lack of payment. Of those 85% who
24 were disconnected 90% qualify for USF assistance. Those end-users who have been

1 disconnected by the incumbent often have no where to go for phone service. These are the
2 very people that the USF was meant to assist. It is MTI's belief that if it is granted ETC
3 status, it will be able to assist a large percentage of the very population that the fund was
4 created to help.

5
6 **Q. CURRENTLY, THE COMMISSION IS CONSIDERING RULES GOVERNING**
7 **THE DESIGNATION OF ELIGIBLE TELECOMMUNICATIONS CARRIERS,**
8 **WILL MTI AGREE TO COMPLY WITH THE NEW RULES THAT RESULT**
9 **FROM THAT PROCEEDING?**

10 **A. Yes.**

11
12 **Q IF REQUIRED TO DO SO, WILL MTI ANNUALLY SUBMIT A REPORT**
13 **STATING THE NUMBER OF REQUESTS FOR SERVICE FROM POTENTIAL**
14 **CUSTOMERS WITHIN ITS SERVICE AREAS THAT WERE UNFULFILLED**
15 **FOR THE PAST YEAR AND HOW IT ATTEMPTED TO PROVIDE SERVICE**
16 **TO THOSE POTENTIAL CUSTOMERS?**

17 **A. Yes.**

18
19 **Q. IF REQUIRED TO DO SO, WILL MTI ANNUALLY SUBMIT A REPORT**
20 **STATING THE NUMBER OF COMPLAINTS IT HAS RECEIVED?**

21 **A. Yes.**

22

1 Q. IF REQUIRED TO DO SO, WILL MTI ANNUALLY SUBMIT A
2 CERTIFICATION THAT IT IS ABLE TO FUNCTION IN EMERGENCY
3 SITUATIONS?

4 A. Yes.
5

6 Q. IF REQUIRED TO DO SO, WILL MTI ANNUALLY SUBMIT A
7 CERTIFICATION THAT IT IS OFFERING A LOCAL USAGE PLAN
8 COMPARABLE TO THAT OFFERED BY THE ILEC IN THE RELEVANT
9 SERVICE AREAS?

10 A. Yes.
11

12 Q. IF REQUIRED TO DO SO, WILL MTI ANNUALLY REPORT THE NUMBER
13 OF LIFELINE CUSTOMERS AND THE NUMBER OF CUSTOMERS THAT
14 RECEIVE LINK UP ASSISTANCE AS OF DEC 31st OF THE PRIOR YEAR, AS
15 WELL AS COPIES OF RESPONSES TO THE LIFELINE VERIFICATION
16 SURVEY OR CERTIFICATION FILED WITH UNIVERSAL SERVICE
17 ADMINISTRATIVE COMPANY ON AUGUST 31 OF EACH YEAR?

18 A. Yes.
19

20 Q DOES THIS CONCLUDE YOUR TESTIMONY?

21 A. Yes.

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214(e)(2) of the Telecommunications Act)
of 1996)
_____)

Docket No. 2007-32-C

This is to certify that I have caused to be served this day, one (1) copy of the **Direct Testimony of Ikechuku Chinwah** via electronic mail service and by placing a copy of same in the care and custody of the United States Postal Service (unless otherwise specified), with proper first-class postage affixed hereto and addressed as follows:

C. Lessie Hammonds, Esquire
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Columbia SC 29211



Carol Roof
Paralegal

July 10, 2007
Columbia, South Carolina